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SUBJECT: READOUT OF OMANI FOREIGN MINISTER VISIT TO TEHRAN

Classified By: Ambassador Gary A. Grappo for Reasons 1.4 (b, d)

SUMMARY

11. (C) Omani Minister Responsible for Foreign Affairs Yusef bin Alawi told the Ambassador that during his July 17 stop in Tehran, Iranian officials expressed a desire to advance their dialogue with the U.S. on Iraq, but were concerned over reports that the U.S. was arming tribal groups in Anbar province. Bin Alawi claimed that the Iranian government was "seriously trying" to work with the IAEA and the international community to avoid further UN sanctions, which he asserted would only serve to embolden hard-liners in Tehran. He dismissed reports that Oman and Iran were planning a formal cooperative security agreement, but confirmed ongoing bilateral discussions on the export of Iranian gas to Oman, though such an energy deal was "far away." End Summary.

IRANIAN VIEWS ON IRAQ

12. (C) During a July 22 meeting with the Ambassador, Omani Minister Responsible for Foreign Affairs Yusef bin Alawi gave a brief readout of his July 17 visit to Tehran. Noting that he was in the Iranian capital "for just a few hours" on his way to Moscow, bin Alawi said that he met with both Ali Larijani and Foreign Minister Mottaki, who claimed that they were "trying to make things easier" for the U.S. to talk to Iran regarding Iraq, as well as other subjects. They also asserted, according to bin Alawi, that the Iranian government was "upset" by reports that the U.S. was providing arms to tribes in western Iraq, purportedly because Iran feared that tribe members would sell the weapons to al-Qaeda or other terrorist groups. Bin Alawi further remarked that the Iranians "will never allow the Sunnis to regain control of Iraq," and would likely attempt to fill any "vacuum" left by the withdrawal of U.S. forces.

TEHRAN KEEN TO AVOID MORE SANCTIONS

13. (C) Concerning Iran's nuclear program, bin Alawi stated that the Iranians were "coordinating" with EU High Representative Javier Solana and "working better" with the IAEA. He commented that Iran appeared "more forthcoming" on issues related to its nuclear activities and was "very concerned" about another UN Security Council sanctions resolution. Bin Alawi said he believed the Iranians were "seriously trying" to come up with a solution to the nuclear file through talks with the IAEA, and accordingly advised the U.S. to "give (the Iranians) more time" before taking further action in the UN Security Council. If the nuclear issue had to go back to the Security Council, bin Alawi continued, the Council should issue a statement rather than announce new

sanctions as further punitive measures "will only make hard-liners in Tehran stronger."

14. (C) Asked by the Ambassador if Supreme Leader Ali Khamenei backed alleged efforts by Larijani and others to negotiate a solution to the nuclear impasse, bin Alawi responded that "they could not do this without his support." He said that he did not ask to see Iranian President Ahmadinejad since the National Security Council, chaired by the Supreme Leader, made all the truly important decisions in Iran.

THE UPSIDE OF GASOLINE RATIONING

15. (C) In an apparent reference to recent gasoline rationing in Iran, bin Alawi joked that he "found Tehran beautiful this time" as there was little traffic and less air pollution. He asserted that while there was "grumbling" among Iranians when rationing was first implemented, the public was adjusting to the restrictions, which were saving Iran roughly 15 million liters of gasoline per month. According to bin Alawi, Iran did not appear to be making a concerted attempt to crack down on the black market smuggling and sale of gasoline as it allowed "those who can afford it" an opportunity to buy needed fuel. Per the minister, Tehran also plans to build two refineries to eventually increase gasoline supplies.

MISLEADING PRESS REPORTS

16. (C) When questioned about Iranian news service reports on

MUSCAT 00000709 002 OF 002

plans for a Oman-Iran security cooperation or mutual defense agreement, bin Alawi was dismissive and said that such exaggerated or false stories were issued by Tehran for political reasons. He explained that he had been asked by press about the possibility of a collective security agreement between the GCC and Iran, but said that he had responded that this was unnecessary since GCC countries already had bilateral agreements with Iran on security issues. Asked by the Ambassador to clarify this point, bin Alawi responded that Oman and Iran, for example, had already agreed to cooperate on maritime security matters such as preventing the smuggling of illegal migrant workers through Iranian waters to Oman.

OMAN "FAR AWAY" FROM IRANIAN GAS DEAL

17. (C) Bin Alawi shared that there were "ongoing discussions" between Muscat and Tehran for the eventual export of Iranian gas to feed Omani industrial development, but said that "we're still far away" from a deal. The Omani minister claimed that due to an acute need for gas, Oman was willing to finance completely and even operate a gas platform in Iranian waters near Iran's Qeshm island if this would guarantee an abundant and stable supply of gas, although he doubted that Iran would accept such a proposal. (Note: Bin Alawi commented that Oman was also talking with Qatar in a bid to acquire more gas. End note.) If Oman eventually reached a gas agreement with Iran, bin Alawi said, a pipeline would likely have to be built from the relevant field through the Strait of Hormuz and around Oman's Musandam peninsula to the port city of Sohar.

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